

AMENDED IN SENATE JUNE 15, 1998  
AMENDED IN ASSEMBLY MAY 19, 1998  
AMENDED IN ASSEMBLY APRIL 13, 1998

CALIFORNIA LEGISLATURE—1997-98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2416**

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**Introduced by Committee on Governmental Organization  
(Brown (Chair), Bordonaro, Brewer, Cardenas, Cardoza,  
Floyd, Granlund, Margett, Pringle, and Wright)**

February 20, 1998

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~~An act to amend Sections 23357.2, 24045.12, 25503.11, 25503.12, and 25608 of the Business and Professions Code, relating to alcoholic beverages.~~ *An act to amend Sections 23355.1, 23357.2, 23405, 23405.1, 23951, 23953, 24045.12, 24071.1, 25503.11, 25503.12, and 25608 of, to amend and renumber Section 23405.3 of, and to repeal Section 23405.2 of, the Business and Professions Code, relating to alcoholic beverages.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2416, as amended, ~~Brown~~ *Committee on Governmental Organization*. Alcoholic beverages.

(1) Existing law requires an out-of-state beer manufacturer to have an out-of-state beer manufacturer's certificate in order to ship beer manufactured outside the state to licensed importers in the state. Annual fees for the certificate are required to be determined by the Department of Alcoholic Beverage Control and approximate the cost of investigation of the applicant and issuance of the certificate.

This bill would remove the requirement that these fees include the cost of investigation of the applicant.

(2) Existing law provides for the issuance of an on-sale general alcoholic beverage license to a person who does not operate a bona fide eating place or other public premises and who meets specified conditions, including, among other things, operating a catering business for not less than 5 years, catering over 500 events annually, operating or owning, for not less than 4 years, a bona fide eating place that had an on-sale license, and serving alcoholic beverages at no more than 25% of the events catered.

This bill would revise one of these conditions by requiring that the licensee own or operate a bona fide eating place that had an on-sale license for not less than one year rather than 4 years.

(3) The Alcoholic Beverage Control Act permits licensees to hold stock in various corporate licensees under specified conditions, among which is that the stock be listed on the New York or American Stock Exchanges.

This bill would also permit the stock ownership if the stock is listed on NASDAQ.

(4) Existing law provides that the possession, consumption, sale, gift, or delivery of an alcoholic beverage in or on any public schoolhouse or its grounds constitutes a misdemeanor. Under existing law, this provision does not make it unlawful to acquire, possess, or use an alcoholic beverage if the alcohol is acquired, possessed, or used during events at a stadium with a capacity of more than 18,900 people, located in a county of the 14th class, that is owned or operated by a college.

This bill would delete the provisions requiring that a college-owned or college-operated facility be a stadium, have a capacity of more than 18,900 people, and be located in a county of the 14th class in order for the acquisition, possession, or consumption of alcoholic beverages not to be unlawful.

The bill would also provide that it is not unlawful if the alcoholic beverages are possessed, consumed, or sold, for an event during the weekend or at other times when pupils are not on the grounds of an overnight retreat facility owned and operated by a county office of education in a county of the 18th class.



(5) *The bill would also make various changes to provisions affecting licensure of corporations, limited partnerships, and limited liability companies under the Alcoholic Beverage Control Act.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. *Section 23355.1 of the Business and*  
2 *Professions Code is amended to read:*

3 23355.1. Notwithstanding any other provision of this  
4 division, the following acts are authorized:

5 (a) Deliveries of distilled spirits by a licensee to a retail  
6 licensee may be made from the vendor's licensed  
7 premises or from a warehouse located within the county  
8 in which the vendor's licensed premises are located  
9 except as permitted by Section 23383. Deliveries to a  
10 licensed importer may also be made from any point  
11 outside the state.

12 (b) A distilled spirits manufacturer, distilled spirits  
13 manufacturer's agent, distilled spirits rectifier general, or  
14 rectifier may store, bottle, cut, blend, mix, flavor, color,  
15 label, and package distilled spirits owned by another  
16 distilled spirits manufacturer, distilled spirits  
17 manufacturer's agent, distilled spirits rectifier general,  
18 rectifier, or a distilled spirits wholesaler, and may deliver  
19 those distilled spirits from the premises where stored,  
20 bottled, cut, blended, mixed, flavored, colored, labeled,  
21 or packaged, or from a warehouse located in the same  
22 county as that premises for the account of the owner of  
23 those distilled spirits to any licensee that owner would be  
24 authorized to deliver to under his or her own license,  
25 except to a retail licensee.

26 (c) A distilled spirits manufacturer, distilled spirits  
27 manufacturer's agent, distilled spirits rectifier general,  
28 rectifier, or distilled spirits wholesaler may store and  
29 deliver distilled spirits for the account of another licensee  
30 who would be authorized to make the delivery under his



1 or her own license, except that licensee shall not make a  
2 delivery to a retail licensee on behalf of another licensee.

3 (d) A retail off-sale licensee with annual United States  
4 auction sales revenues of at least five hundred million  
5 dollars (\$500,000,000) may sell wine *consigned by any*  
6 *person, whether or not the auctioned wine is “vintage*  
7 *wine” as defined in Section 23104.6*, at any auction held  
8 in compliance with Section 2328 of the Commercial Code  
9 to consumers and retail licensees and may deliver wines  
10 sold to any purchaser at that auction from the vendor’s  
11 licensed premises or from any other storage facility.

12 SEC. 2. Section 23357.2 of the Business and  
13 Professions Code is amended to read:

14 23357.2. (a) An out-of-state beer manufacturer’s  
15 certificate may be issued by the department upon the  
16 written undertaking and agreement by the applicant:

17 (1) That it and its agents and all agencies within this  
18 state controlled by it will comply with all laws of this state  
19 and all rules of the department with respect to the sale of  
20 alcoholic beverages, including, but not limited to,  
21 Chapter 12 (commencing with Section 25000) of Division  
22 9, and Section 25509, to the same extent as licensees.

23 (2) That it will make available, both in California and  
24 outside the state, for inspection and copying by the  
25 department, all books, documents, and records, located  
26 both within and without this state, which are pertinent to  
27 the activities of the applicant, its agents and agencies  
28 within this state controlled by it, in connection with the  
29 sale and distribution of its products within this state.

30 (b) The department may suspend or revoke an  
31 out-of-state beer manufacturer’s certificate for cause in  
32 the manner provided for the suspension or revocation of  
33 licenses, and after a hearing which shall be held in the  
34 City of Sacramento or in any other county seat in this state  
35 as the department determines to be convenient to the  
36 holder of an out-of-state certificate.

37 (c) The annual fees for an out-of-state beer  
38 manufacturer’s certificate shall be determined by the  
39 department, and shall approximate the department’s cost  
40 of issuance of the certificate.



1 (d) All money collected from the fees provided for in  
2 this section shall be deposited in the Alcohol Beverage  
3 Control Fund as provided by Section 25761.

4 ~~SEC. 2.—~~

5 *SEC. 3. Section 23405 of the Business and Professions*  
6 *Code is amended to read:*

7 23405. (a) Any corporation holding a license under  
8 this division shall maintain a record of its shareholders at  
9 the principal office of the corporation in California and  
10 the record of its shareholders shall be available to the  
11 department for inspection. ~~Such~~ *The* corporation shall  
12 report to the department in writing any of the following:

13 (1) Issuance or transfer of any shares of stock to any  
14 person where the issuance or transfer results in the  
15 person owning 10 percent or more of the corporate stock.

16 (2) Change in any of the corporate officers which are  
17 required by Section 312 of the Corporations Code.

18 (3) Change of the members of its board of directors.

19 The report shall be filed with the department within 30  
20 days after the issuance or transfer of corporate stock,  
21 change in corporate officers, or change in members of the  
22 board of directors, as the case may be.

23 (b) Any licensee within the purview of this section  
24 who is required by federal law to report to the federal  
25 government under the provisions of the Federal Alcohol  
26 Administration Act or the Internal Revenue Code the  
27 information required by this section may send to the  
28 department a copy of the report at the same time as it is  
29 sent to the federal government, and the copy of the  
30 report sent to the department by the licensee shall be  
31 deemed sufficient compliance with the provisions of this  
32 section.

33 (c) The provisions of this section shall not apply to any  
34 of the following:

35 (1) A corporation the stock of which is listed on a stock  
36 exchange in this state or in the City of New York, State of  
37 New York.

38 (2) A bank, trust company, financial institution or title  
39 company to which a license is issued in a fiduciary  
40 capacity.



1 (3) A corporation which is required by law to file  
 2 periodic reports with the Securities and Exchange  
 3 Commission.

4 (d) The department may *deny any application or*  
 5 suspend or revoke any license of a corporation subject to  
 6 the provisions of this section where conditions exist in  
 7 relation to any *officer, director, or person holding* 10  
 8 percent or more of the corporate stock of ~~such that~~  
 9 corporation which would constitute grounds for  
 10 disciplinary action against ~~such that~~ person if ~~such the~~  
 11 person was a licensee.

12 *SEC. 4. Section 23405.1 of the Business and*  
 13 *Professions Code is amended to read:*

14 23405.1. (a) Any limited partnership ~~which is~~  
 15 ~~required by law to file periodic reports with the Securities~~  
 16 ~~and Exchange Commission, the general partners of which~~  
 17 ~~limited partnership hold~~ *holding* a license under this  
 18 division ~~other than a retail license~~, shall maintain a  
 19 register at the principal office of the limited partnership  
 20 in California and the register shall be available to the  
 21 department for inspection. ~~Such~~ *The* limited partnership  
 22 shall report to the department in writing the assignment  
 23 or transfer of the interest of any limited partner of ~~such~~  
 24 ~~the~~ limited partnership where the assignment or transfer  
 25 results in a person owning as a limited partner 10 percent  
 26 or more of the capital or profits of ~~such the~~ limited  
 27 partnership. *The limited partnership shall report to the*  
 28 *department in writing any change in the general partners*  
 29 *of the limited partnership.*

30 The report shall be filed with the department within 30  
 31 days after the assignment or transfer of the limited  
 32 partnership interest.

33 (b) Any licensee within the purview of this section  
 34 who is required by federal law to report to the federal  
 35 government under the provisions of the Federal Alcohol  
 36 Administration Act or the Internal Revenue Code the  
 37 information required by this section shall send to the  
 38 department a copy of the report at the same time as it is  
 39 sent to the federal government, ~~and the~~. *The* copy of the  
 40 report sent to the department by the licensee shall be



1 deemed sufficient compliance with the provisions of this  
2 section.

3 (c) The department may *deny any application or*  
4 *suspend or revoke any license of a limited partnership*  
5 *subject to the provisions of this section where conditions*  
6 *exist in relation to any general partner or any limited*  
7 *partner holding 10 percent or more of the capital or*  
8 *profits of such the limited partnership which that would*  
9 *constitute grounds for disciplinary action against such*  
10 *that person if he were a licensee.*

11 (d) The register referred to in subdivision (a) of this  
12 section shall consist of a register showing the names of the  
13 current limited partners (whether original limited  
14 partners or substituted limited partners), and the current  
15 assignees of limited partnership interests; and their  
16 addresses, the interest in the capital and profits of the  
17 limited partnership owned by each limited partner and  
18 each assignee of a limited partnership interest, the  
19 number and date of certificates, if any, issued for limited  
20 partnership interests, and the number and date of  
21 cancellation of every such certificate surrendered for  
22 cancellation. The above specified information may be  
23 kept by the limited partnership on punchcards, magnetic  
24 tape, or other information storage device related to  
25 electronic data processing equipment provided that such  
26 the card, tape, or other equipment is capable of  
27 reproducing the information in clearly legible form for  
28 the purposes of inspection as provided in this section.

29 *SEC. 5. Section 23405.2 of the Business and*  
30 *Professions Code is repealed.*

31 ~~23405.2. Notwithstanding any other provision of this~~  
32 ~~division, the department may issue a license to a limited~~  
33 ~~partnership in which there are more than 10 limited~~  
34 ~~partners. The application for such license shall be signed~~  
35 ~~by, and the license shall be issued in the names of, the~~  
36 ~~general partners and each limited partner who owns 10~~  
37 ~~percent or more of the capital or profits of such limited~~  
38 ~~partnership.~~

39 ~~The issuance of a license under this section shall be~~  
40 ~~conditioned upon the following:~~



1 ~~(a) Any and all articles or agreements of limited~~  
2 ~~partnership or certificates or amendments thereto shall~~  
3 ~~be filed with the department at the time of filing the~~  
4 ~~application for the license. Any and all articles,~~  
5 ~~agreements, certificates or amendments executed after~~  
6 ~~the issuance of the license shall be filed with the~~  
7 ~~department within 30 days after execution.~~

8 ~~(b) The general partners and limited partners who are~~  
9 ~~required to sign the application shall certify to the~~  
10 ~~department on such forms as prescribed by the~~  
11 ~~department whether or not any general partner or any~~  
12 ~~limited partner holds the ownership, directly or~~  
13 ~~indirectly, in any license within or without this state to~~  
14 ~~manufacture, import, distribute, rectify, or sell alcoholic~~  
15 ~~beverages.~~

16 ~~The department may deny any application or suspend~~  
17 ~~or revoke any license under this section where conditions~~  
18 ~~exist relative to any general partner or any limited~~  
19 ~~partner who owns 10 percent or more of the capital or~~  
20 ~~profits of the limited partnership which would cause~~  
21 ~~grounds for denial or action against such person if he were~~  
22 ~~a licensee or applicant.~~

23 ~~The department may deny any application or suspend~~  
24 ~~or revoke any license under this section in the event any~~  
25 ~~general partner or any limited partner holds or acquires~~  
26 ~~any prohibited ownership interest, directly or indirectly,~~  
27 ~~in any licensed business in violation of the tied-house~~  
28 ~~provisions of Chapter 15 of this division.~~

29 ~~Notwithstanding any other provision of this division,~~  
30 ~~the department may issue a license under this section~~  
31 ~~where it is determined by the department that the~~  
32 ~~interest in the limited partnership by a limited partner~~  
33 ~~who also holds the ownership, directly or indirectly, in~~  
34 ~~any other license issued under this division, is diminutive~~  
35 ~~and, if the department so requires, the license issued~~  
36 ~~under this section may contain a condition thereon~~  
37 ~~prohibiting any business transaction, direct or indirect,~~  
38 ~~between the business licensed under this section and any~~  
39 ~~other such licensed business.~~



1 SEC. 6. Section 23405.3 of the Business and  
2 Professions Code is amended and renumbered to read:

3 23405.3.—

4 23405.2. (a) Any limited liability company holding a  
5 license under this division shall maintain a record of its  
6 members at the principal office of the company in  
7 California and the record of its members shall be available  
8 to the department for inspection. The company shall  
9 report to the department in writing any of the following:

10 (1) Issuance or transfer of memberships to any person  
11 where the issuance or transfer results in the person  
12 owning 10 percent or more of the voting interests of the  
13 company.

14 (2) If the limited liability company is managed by a  
15 manager or managers, any change in the manager or  
16 managers of the company.

17 (3) If any officer has been appointed, any change in  
18 the officers of the company.

19 The report shall be filed with the department within 30  
20 days after the issuance or transfer of membership voting  
21 interests, or any change in members, managers, or  
22 officers.

23 (b) Any limited liability company within the purview  
24 of this section that is required under the provisions of the  
25 Federal Alcohol Administration Act or the Internal  
26 Revenue Code to report to the federal government the  
27 information required by this section may send to the  
28 department a copy of the report at the same time as it is  
29 sent to the federal government, ~~and the~~. The copy of the  
30 report sent to the department by the company shall be  
31 deemed sufficient compliance with the provisions of this  
32 section.

33 (c) The reporting requirements of subdivision (b)  
34 shall not apply to a limited liability company that is  
35 required by law to file periodic reports with the Securities  
36 and Exchange Commission.

37 (d) The person or persons who are required to sign the  
38 application shall certify to the department on forms  
39 prescribed by the department whether or not any  
40 member, manager, or officer holds an ownership interest,



1 directly or indirectly, in any license within or without this  
2 state to manufacture, import, distribute, rectify, or sell  
3 alcoholic beverages. The department may deny any  
4 application or suspend or revoke any license under this  
5 section in the event any member, manager, or officer  
6 holds or acquires any prohibited ownership interest,  
7 directly or indirectly, in any licensed business in violation  
8 of the tied-house provisions of Chapter 15 (commencing  
9 with Section 25500).

10 (e) The department may *deny any application and*  
11 *suspend or revoke any license of a limited liability*  
12 *company subject to the provisions of this section where*  
13 *conditions exist in relation to any manager, officer, or*  
14 *person holding 10 percent or more of the voting interests*  
15 *of the limited liability company which that would*  
16 *constitute grounds for disciplinary action against the*  
17 *person if he or she was a licensee.*

18 (f) ~~Any and all~~ *All* articles of organization and  
19 operating agreements of a limited liability company or  
20 certificates or amendments thereto shall be filed with the  
21 department at the time of filing the application for the  
22 license. ~~Any and all~~ *All* articles of organization, operating  
23 agreements, certificates, or amendments executed after  
24 the issuance of the license shall be filed with the  
25 department within 30 days after execution.

26 (g) The requirements of this section are in addition to  
27 the requirements set forth in the Beverly-Killea Limited  
28 Liability Company Act, Title 2.5 (commencing with  
29 Section 17000) of the Corporations Code.

30 *SEC. 7. Section 23951 of the Business and Professions*  
31 *Code is amended to read:*

32 23951. The application shall contain the following  
33 *information:*

34 (a) The name of the applicant.

35 (b) ~~In the case of~~ *For* a general partnership, the names  
36 of the individual partners. ~~In the case of a limited~~  
37 ~~partnership, the names of the general partners and the~~  
38 ~~names of the limited partners owning 10 percent or more~~  
39 ~~of the capital or profits of the limited partnership.~~



1 ~~(e) In the case of a limited liability company, the~~  
2 ~~names of the members and officers, if any. However, if~~  
3 ~~the limited liability company has elected to be managed~~  
4 ~~by a manager or managers pursuant to Section 17151 of~~  
5 ~~the Corporations Code, the names of the manager or~~  
6 ~~managers, officers, if any, and members owning 10~~  
7 ~~percent or more of the voting rights of the limited liability~~  
8 ~~company.~~

9 ~~(d) In the case of a corporation, the names of the~~  
10 ~~principal officers and directors.~~

11 *(c) For a limited partnership, limited liability*  
12 *company, or a corporation, the name of the entity.*

13 ~~(e)~~

14 *(d)* The location of the premises for which the license  
15 is applied.

16 *SEC. 8. Section 23953 of the Business and Professions*  
17 *Code is amended to read:*

18 23953. (a) The application shall be signed by the  
19 applicant.

20 ~~(b) In the case of~~ *For* a general partnership, the  
21 application shall be signed by each of the partners, and for  
22 the purposes of this division the partners shall be deemed  
23 the applicant for any license and the licensees under any  
24 license issued pursuant to that application.

25 ~~(c) In the case of~~ *For* a limited partnership ~~required by~~  
26 ~~law to file periodic reports with the Securities and~~  
27 ~~Exchange Commission,~~ the application for any license  
28 shall be signed by each of the general partners. ~~In the case~~  
29 ~~of any other limited partnership, the application for the~~  
30 ~~license shall be signed by each of the general partners and~~  
31 ~~by each limited partner who owns 10 percent or more of~~  
32 ~~the capital or profits of the limited partnership.~~

33 ~~(d) In the case of~~ *For* a limited liability company that  
34 has elected to be managed by its members, the  
35 application shall be signed by each member or by an  
36 officer authorized by the articles of organization or the  
37 operating agreement to bind the company. In the case of  
38 a limited liability company that has elected to be  
39 managed by a manager or managers, the application shall  
40 be signed by the manager or managers or by an officer



1 authorized by the articles of organization or the operating  
 2 agreement to bind the company.

3 (e) ~~In the case of~~ *For* a corporation, the application  
 4 shall be signed by ~~an officer and under the seal of the~~  
 5 ~~corporation.~~ *two officers of the corporation, one from*  
 6 *each of the following categories:*

7 (1) *The chairperson of the board, the president, or a*  
 8 *vice president.*

9 (2) *The secretary, assistant secretary, chief financial*  
 10 *officer, or assistant treasurer.*

11 *SEC. 9.* Section 24045.12 of the Business and  
 12 Professions Code is amended to read:

13 24045.12. Notwithstanding any other provision of law,  
 14 the department may issue a general on-sale license to a  
 15 person who does not operate a bona fide eating place or  
 16 other public premises who meets all of the following:

17 (a) Has operated a catering business for not less than  
 18 five years.

19 (b) Has operated or owned for not less than one year  
 20 a bona fide eating place that had a general on-sale license.

21 (c) Caters over 500 events annually.

22 (d) Serves alcoholic beverages at no more than 25  
 23 percent of the events catered annually and has revenues  
 24 from the sale of alcoholic beverages which do not  
 25 constitute more than 25 percent of his or her total annual  
 26 revenues.

27 (e) Obtains an annual permit to serve alcoholic  
 28 beverages at events and obtains an authorization for each  
 29 event, as specified in Section 23399.

30 ~~SEC. 3.—~~

31 *SEC. 10.* Section 24071.1 of the Business and  
 32 Professions Code is amended to read:

33 24071.1. (a) When the ownership of 50 percent or  
 34 more of the shares of stock of a corporation, which is  
 35 required to report the issuance or transfer of those shares  
 36 of stock under Section 23405, is acquired by or transferred  
 37 to a person or persons who did not hold the ownership of  
 38 50 percent of those shares of stock on the date the license  
 39 was issued to the corporation, the license of the  
 40 corporation shall be transferred to the corporation as



1 newly constituted. When *there is a new general partner*  
2 *or when* the ownership of 50 percent or more of the  
3 capital or profits of a limited partnership, which is  
4 required to maintain a register under Section 23405.1, is  
5 acquired by or transferred to a person or persons as  
6 *general or* limited partners and who did not hold  
7 ownership of 50 percent or more of the capital or profits  
8 of the limited partnership on the date the license was  
9 issued to the ~~general partners of the~~ limited partnership,  
10 the license of the ~~general partners of the~~ limited  
11 partnership shall be transferred to the ~~general partners~~  
12 ~~of the~~ limited partnership as newly constituted. The fee  
13 for the transfer shall be equal to 50 percent of the original  
14 fee for the license, except that the minimum fee shall be  
15 one hundred dollars (\$100) and the maximum fee shall be  
16 eight hundred dollars (\$800). In situations involving the  
17 multiple and simultaneous transfer of licenses under this  
18 section, the regular transfer fee shall only be required for  
19 one of the licenses being transferred and the remainder  
20 of the licenses shall be transferred for a fee of one  
21 hundred dollars (\$100) each. All of the transfer fees  
22 collected pursuant to this section shall be deposited in the  
23 Alcohol Beverage Control Fund as provided in Section  
24 25761. Before the license is transferred, the department  
25 shall conduct an investigation pursuant to the provisions  
26 of Section 23958. Any person or persons who own 50  
27 percent or more of the shares of stock of the corporation  
28 or who own as limited partners 50 percent or more of the  
29 capital or profits of the limited partnership, as the case  
30 may be, shall have all the qualifications required of a  
31 person holding the same type of license.

32 (b) No retail license shall be transferred by a  
33 corporation *or a limited partnership* under this section  
34 unless, before the filing of the transfer application with  
35 the department, the corporation *or limited partnership*  
36 initiating the transfer records in the office of the county  
37 recorder of the county or counties in which the premises  
38 to which the license has been issued are situated a notice  
39 of the intended transfer, stating all of the following:



1 (1) The name and address of the corporation *or*  
2 *limited partnership.*

3 (2) The name and address of the person or persons  
4 acquiring ownership of 50 percent or more of the stock of  
5 the corporation *or capital or profits of the limited*  
6 *partnership.*

7 (3) The amount of the consideration paid for the stock  
8 *or limited partnership interests.*

9 (4) The kind of license or licenses intended to be  
10 transferred.

11 (5) The address or addresses of the premises to which  
12 the license or licenses have been issued.

13 A copy of the notice of the intended transfer, certified  
14 by the county recorder, shall be filed with the  
15 department together with the transfer application.

16 (c) Notwithstanding any other provision of this  
17 division to the contrary, a corporation *or limited*  
18 *partnership* as newly constituted by transfer under this  
19 section, ~~shall~~ *is not be* eligible for any new credit from any  
20 person named in Section 25509 until all delinquent  
21 payments owed by the ~~corporation~~ *entity* as formerly  
22 constituted, are made, nor shall any ~~corporate~~ *entity*  
23 retail licensee, by transferring its license under this  
24 section, avoid the provisions of Section 25509 with regard  
25 to 42-day or 30-day periods, percentage charges for  
26 unpaid balances, or cash-on-delivery basis.

27 *SEC. 11.* Section 25503.11 of the Business and  
28 Professions Code is amended to read:

29 25503.11. Notwithstanding any other provision of this  
30 division, a manufacturer, manufacturer's agent,  
31 winegrower, rectifier, importer, or wholesaler may hold  
32 a diminutive amount of stock in a corporate retail licensee  
33 or serve on the board of directors of a corporate off-sale  
34 retail licensee, provided the stock ownership or service  
35 on the board of directors, as determined by the  
36 department, does not result in the exercise of control over  
37 the retail licensee's business and does not result in the  
38 exclusion of any competitor's brand of alcoholic  
39 beverages, and provided further that the stock is listed on  
40 the New York Stock Exchange , the American Stock



1 Exchange, or NASDAQ, and the department is notified  
2 of the stock ownership or service on the board of  
3 directors.

4 ~~SEC. 4.—~~

5 *SEC. 12.* Section 25503.12 of the Business and  
6 Professions Code is amended to read:

7 25503.12. Notwithstanding any other provision of this  
8 division, a retail licensee may hold a diminutive amount  
9 of stock in a corporate licensed manufacturer,  
10 manufacturer's agent, winegrower, rectifier, importer, or  
11 wholesaler, provided that the purpose of the stock  
12 ownership by the retail licensee, as determined by the  
13 department, is not to violate any of the provisions of this  
14 chapter, and provided further that the stock is listed on  
15 the New York Stock Exchange, the American Stock  
16 Exchange, or on NASDAQ, and the department is  
17 notified of the stock ownership.

18 ~~SEC. 5.—~~

19 *SEC. 13.* Section 25608 of the Business and Professions  
20 Code is amended to read:

21 25608. Every person who possesses, consumes, sells,  
22 gives, or delivers to any other person, any alcoholic  
23 beverage in or on any public schoolhouse or any of the  
24 grounds thereof, is guilty of a misdemeanor. This section  
25 does not, however, make it unlawful for any person to  
26 acquire, possess, or use any alcoholic beverage in or on  
27 any public schoolhouse, or on any grounds thereof, if any  
28 of the following applies:

29 (a) The alcoholic beverage is acquired, possessed, or  
30 used in connection with a course of instruction given at  
31 the school and the person has been authorized to acquire,  
32 possess, or use it by the governing body or other  
33 administrative head of the school.

34 (b) The public schoolhouse is surplus school property  
35 and the grounds thereof are leased to a lessee which is a  
36 general law city with a population of less than 50,000, or  
37 the public schoolhouse is surplus school property and the  
38 grounds thereof are located in an unincorporated area  
39 and are leased to a lessee which is a civic organization, and  
40 the property is to be used for community center purposes



1 and no public school education is to be conducted thereon  
2 by either the lessor or the lessee and the property is not  
3 being used by persons under the age of 21 years for  
4 recreational purposes at any time during which alcoholic  
5 beverages are being sold or consumed on the premises.

6 (c) The alcoholic beverages are acquired, possessed,  
7 or used during events at a college-owned or  
8 college-operated veterans stadium with a capacity of over  
9 12,000 people, located in a county with a population of  
10 over six million people. As used in this subdivision,  
11 “events” mean football games sponsored by a college,  
12 other than a public community college, or other events  
13 sponsored by noncollege groups.

14 (d) The alcoholic beverages are acquired, possessed,  
15 or used during an event not sponsored by any college at  
16 a performing arts facility built on property owned by a  
17 community college district and leased to a nonprofit  
18 organization which is a public benefit corporation formed  
19 under Part 2 (commencing with Section 5110) of Division  
20 2 of Title 1 of the Corporations Code. As used in this  
21 subdivision, “performing arts facility” means an  
22 auditorium with more than 300 permanent seats.

23 (e) The alcoholic beverage is wine for sacramental or  
24 other religious purposes and is used only during  
25 authorized religious services held on or before January 1,  
26 1995.

27 (f) The alcoholic beverages are acquired, possessed, or  
28 used during an event at a community center owned by a  
29 community services district and the event is not held at  
30 a time when students are attending a public school  
31 sponsored activity at the center.

32 (g) The alcoholic beverage is wine which is acquired,  
33 possessed, or used during an event sponsored by a  
34 community college district or an organization operated  
35 for the benefit of the community college district where  
36 the college district maintains both an instructional  
37 program in viticulture on no less than five acres of land  
38 owned by the district and an instructional program in  
39 enology, which includes sales and marketing.



1 (h) The alcoholic beverage is acquired, possessed, or  
2 used at a professional minor league baseball game  
3 conducted at the stadium of a community college located  
4 in a county with a population of less than 250,000  
5 inhabitants, and the baseball game is conducted pursuant  
6 to a contract between the community college district and  
7 a professional sports organization.

8 (i) The alcoholic beverages are acquired, possessed, or  
9 used during events at a college-owned or  
10 college-operated stadium or other facility. As used in this  
11 subdivision, “events” means fundraisers held to benefit a  
12 nonprofit corporation that has obtained a license  
13 pursuant to this division for the event. “Events” does not  
14 include football games or other athletic contests  
15 sponsored by any college or public community college.  
16 This subdivision shall not apply to any public education  
17 facility in which any grade from kindergarten to grade 12,  
18 inclusive, is schooled.

19 (j) The alcoholic beverages are possessed, consumed,  
20 or sold, pursuant to a license obtained under this division,  
21 for an event during the weekend or at other times when  
22 pupils are not on the grounds of an overnight retreat  
23 facility owned and operated by a county office of  
24 education in a county of the 18th class.

25 Any person convicted of a violation of this section shall,  
26 in addition to the penalty imposed for the misdemeanor,  
27 be barred from having or receiving any privilege of the  
28 use of public school property which is accorded by Article  
29 2 (commencing with Section 82537) of Chapter 8 of Part  
30 49 of the Education Code.

